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ADSO

26 October 1949

Office of General Counsel

Loss of Special Funds - [REDACTED]

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1. Forwarded herewith is file on subject which had been withheld pending a personal interview with Mr. [REDACTED] who was personally responsible for the loss of Government funds totalling \$91.57. He should like to make a brief restatement of the facts which have been culled from the memoranda and obtained from Mr. [REDACTED] in a personal conversation with the undersigned.

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2. At the time of the loss, Mr. [REDACTED] was the Acting Chief of Station at [REDACTED] and was requested to proceed to [REDACTED] to investigate a problem of communications security. To provide himself with sufficient local currency to meet travel and possible representation expenses, Mr. Wickes took his own money and purchased [REDACTED] (\$91.57) on the open market. He then made out an internal voucher at his station indicating that an advance in this amount had been made to himself. He kept the money segregated and separate from his own personal funds. On arrival at [REDACTED] he was put up in the private residence of the Chief of Station, a building of one-story construction with barred windows and protected on the outside only by an individual guard. There was a small brush hedge but no wired fence or moat to isolate it from the outside. Connections with the servants' quarters were closed at night, however, and the front door, together with an outer iron grille, were closed. Mr. [REDACTED] recalls that the bars on the windows to his particular room were about four to five inches apart. If there was a safe on the premises, he was not advised, and he was not warned to protect himself against any extraordinary efforts at thievery. He slept on a bed of the usual native construction protected by the regular G.I. mosquito net, and placed his clothing on a chair which he estimated to be about ten to twelve feet from the barred window. The next morning he discovered that the clothing, together with his wallet and certain personal possessions - presumably in the pockets of his suit coat - were missing. The only item subsequently recovered was his passport which the thief had discarded in the bushes outside the house. Mr. [REDACTED] is now seeking relief for the loss of the money which he had set aside for travel and possible operational expenses.

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3. It must assume that the fund of [REDACTED] was an authorized advance. As such, it consisted of two elements: one, the portion for travel expenses, and two, the part allocated to representation

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or other operational expense. Normally, travel funds are treated as a personal debt and their loss is treated as the loss of personal property, while operational funds are a separate and distinct res for which the employee is acting as a bailee. Therefore it appears necessary to make some pro rata division of the fund into the two elements. Relief for loss of the travel portion could be obtained only under § 10.3 of the Confidential Funds Regulations, which applies to an employee's personal loss suffered "by reason of emergencies arising out of his service for CIA." This is applicable only to persons in a transfer or travel status, and, while Mr. [] could qualify to that extent, we believe it is very probably overextending the concept of "emergency" if it is construed to include losses by this type of theft. Under § 1.4 of the Confidential Funds Regulations, a determination of the accountability of "Government funds" shall be made by the Director on the recommendation of the Executive.

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4. In any event, a determination must be made in regard to whether or not Mr. [] acted prudently and took reasonable precautions in placing his clothes on a chair ten to twelve feet from the barred window. The statement that the theft was effected through the use of a bamboo pole with line and fish-hook is, of course, an assumption, but it seems a reasonable one. It certainly does not appear to be an orthodox method and even if it was common practice in that particular area, Mr. [] would not be guilty of negligence unless he had notice of this particular method. It does not appear that he had such notice. He could, of course, have taken the ultimate precaution of placing the money in a belt on his person or under his pillow, but we do not believe that the failure to take this action when he was inside a barred room necessarily precludes a decision that he was exercising the high degree of care which is required in the protection of Government funds, (i.e., the portion for representation expenses). Insofar as the advance of travel money is concerned, we do not believe the claim can be supported, but the question of relief for either type of loss should be submitted to the Director.

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5. The file is accordingly returned herewith.

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Encl. 1

File consisting of

Ltr. dtd 31 Dec. 1948

Ltr. dtd 2 Dec. 1948

Dispatch # ZTHA-162 dtd 24 Sept. 1948

cc: Subject

Chrono

Legal Decisions ✓

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